

Testimony of Tom Swan
Executive Director of the CT Citizen Action Group (CCAG)
Before the Insurance and Real Estate Committee

FTR

January 31, 2013

In Support of SB 596

Representative Megna, Senator Crisco and members of the Committee, my name is Tom Swan and I am the Executive Director of the CT Citizen Action Group (CCAG) – a statewide membership based organization with over 20,000 dues paying member families. On behalf of our members I want to commend you for introducing SB 596 and offer our support.

CCAG has been working on health care reform for over 40 years and believe that the next four years have the potential for great change. Unfortunately, despite great work by this legislature, CT is failing to follow through on your efforts and the opportunities presented by the Affordable Care Act.

Too many decisions appear to put insurance company profits over consumer concerns with the corrupt revolving door move of Mickey Hebert from the Health Insurance Exchange Board to one of the participating plans further undermining the public's confidence. It needs to be noted that Hebert was originally on the Board in clear violation of the law and his actions are undermining the good work of many members of the Exchange Board and staff.

There are several reasons that SB 596 should become law. These include:

- It is important to have a firm baseline and understanding of rationale for rates for plans being offered on the exchange. While it may be difficult to estimate the exact enrollment in plans on the exchange no one can doubt this could be the most significant growth in insurance enrolment in years. To compete, plans would have to negotiate with at least some good faith.
- Strong negotiations would impact the cost of plans both inside and outside of the exchange, keeping costs down.
- The vast majority of large employers utilize competitive bidding or negotiations, while small employers pay on average 18% more in premiums than these employers – the exchange is supposed to help make plans more affordable for small businesses – failure to negotiate will only undermine the affordability goals for the plan.
- The Insurance Department continues to prove that they are more enablers than regulators of the insurance industry through their pronouncements of the financial ramifications of the Affordable Care Act. Consumers need someone on their side and having the Exchange being an active purchaser would help to build some trust on this front.

Thank you for your consideration and we look forward to working with you to have this become law.